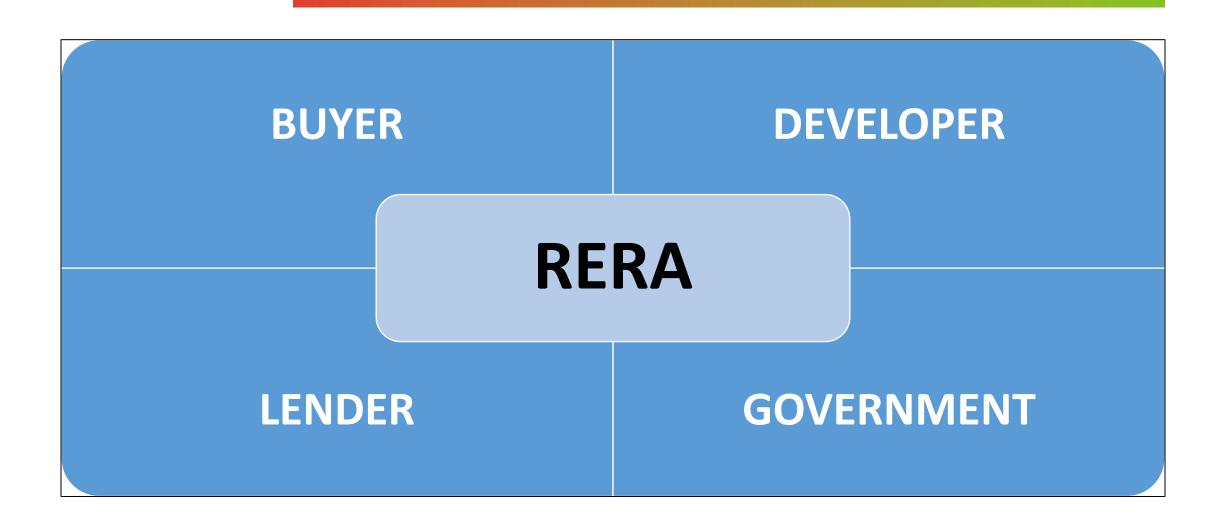


ADVANTAGE RERA

A perspective from Housing Finance Sector Presentation by Sanjay Joshi - HDFC



STAKEHOLDERS





REAL ESTATE SECTOR

- NEED
- REGULATIONS
- IMPACT ON ECONOMY
- OTHER INDUSTRIES
- EMPLOYMENT
- INVESTMENT
- CHALLENGES



HOUSING FINANCE SECTOR

- NEED OF HOUSING FINANCE SECTOR
- ROLE
- RESPONSBLITIES
- IMPACT ON THE ECONOMY
- CHALLENGES



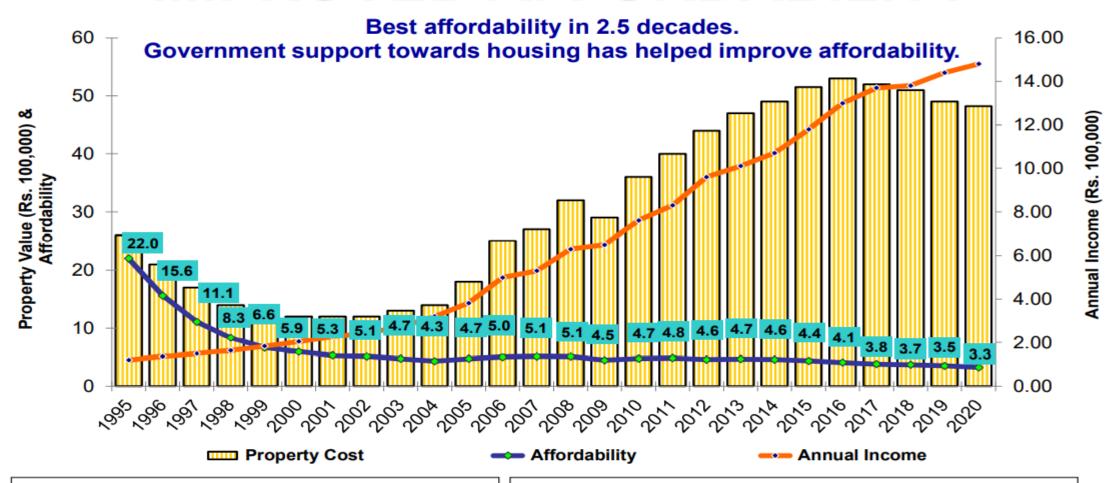
DRIVERS OF MORTGAGE GROWTH

- Improved Affordability
- Low Penetration

- Government Incentives
 - Enhanced Fiscal Benefits
 - Credit Linked Subsidy Scheme
- Other Demand Drivers



IMPROVED AFFORDABILITY

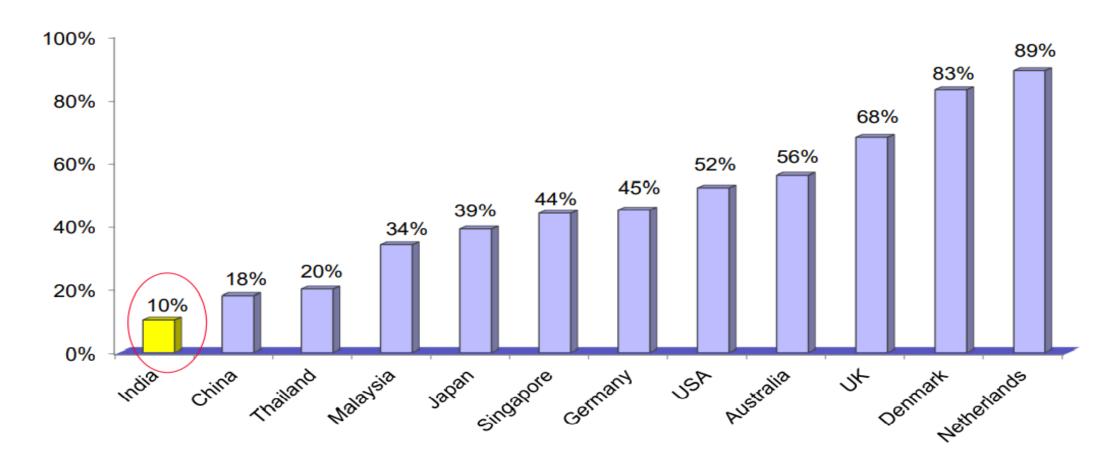


Representation of property price estimates

Affordability equals property prices by annual income



LOW PENETRATION IMPLIES ROOM FOR GROWTH MORTGAGES AS A PERCENT OF NOMINAL GDP



Source: European Mortgage Federation, Hofinet & HDFC estimates for India



GOVERNMENT INITIATIVES

Fiscal Incentives

Tax incentives on interest and principal amount for home loan borrowers

Interest Subvention Scheme

Interest rate subsidy
under the Credit
Linked Subsidy
Scheme (CLSS)
widened to include
middle-income groups

Extension of timeframe and rationalisation of conditions under the CLSS

Supply Side Incentives

Incentives to developers to build affordable housing

'Infrastructure' status accorded to affordable housing

External Commercial
Borrowings/Rupee
Denominated Bonds
Issued Overseas



OTHER DEMAND DRIVERS

- Favourable Demographics: 66% of India's population is below 35 years of age, hence large potential for home loans
- Nuclear Households: Rise in the number of households with a shift towards nuclear families
- Urbanisation: Currently 32% of the Indian population reside in cities; estimated to be 50% by 2030
- Interest Rates: Improved affordability through rising disposable incomes and lowest ever interest rates on home loans



IMPACT OF RERA

- CONFIDENCE BOOSTER
- TRANSPERANCY
- SYSTEMS
- RELIABLITY
- GRIEVANCES
- INVESTMENTS
- TRUST



SUGGESTIONS

- MIN PROJECT SIZE CRITERIA (may be revised upwards)
- ENVIROMENT FRIENDLY PROJECTS (push this which will help save environment)
- SOME CRITICAL INFORMATION (projects mortgaged /CF/ specific units)
- USE OF TECHNOLOGY FOR IMPROVING OVERALL SYSTEM (digital use by HFCs & Banks)
- STANDARD WEBSITES (across the states and best features can be adopted)



Thank You